



CALPEEK

CALIFORNIA POLITICAL WEEK

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FINANCIAL PRIVACY INITIATIVE HITS THE STREET.

Editor's note: A coalition of Calif. consumer groups has received the green light from the Calif. AG's office to begin circulating an initiative to strengthen financial privacy laws for Calif. consumers. Here's our brief update & analysis...

...The timing couldn't be better for *Californians for Privacy Now* – the group behind the Calif. Financial Privacy Initiative. The coalition, which includes Consumers Union, Consumer Federation of Calif. and E-LOAN, hit the streets with petitions May 8th & 9th with statewide events to draw attention to this measure. On Monday, May 12th, SB 1, the financial privacy bill by State Sen. Jackie Speier(D-San Mateo) is scheduled to come before the CA Assembly Banking and Finance Cmt. In the past, Speier's privacy bills have managed to get out of the upper house, only to run into trouble in the Assembly. SB 1 has cleared the State Senate, but its fate is unknown in the CA Assembly. SB 1 is a much milder version of the strongly worded initiative and this might add some pressure on committee members, including Demos...

...Lobbying by Calif. financial institutions and insurance companies has been intense over the years and this year is no different. The Financial Services Privacy Coalition (FSPC) is hammering away at SB 1. The overall contention is at SB 1 is much too broad in scope and that there are already 40 laws on the books in Calif. and the U.S. *Calpeek* sources expect FSPC to put up a ton of money should this initiative qualify. The YES side has a financial angel too in E-LOAN chair/CEO Chris Larsen...

...Californians for Privacy Now(CPN), claim the current laws are weak and leave consumers vulnerable to identity theft, aggressive marketing tactics and fraud. The main element in the initiative would require financial and insurance companies to get consumers "informed consent" before sharing or selling the personal information...

...The official title of the initiative statute is **Consumer Information Privacy**. CPN will use a combination of

grassroots organizations and a professional petition mgr. to gather 373,816 signatures. In reality, CPN will need about 750,000 signatures to insure qualification within a 150-day period. Kimball Petition Management will handle the paid effort, with consultant Steve Hopcraft the overall campaign manager for the qualification effort. Stay tuned...

CAMPAIGN 2003: MOST AGREE NEWSOM AHEAD IN S.F. MAYOR'S CONTEST. BUT WHO IS IN SECOND?

Editor's note: The election to replace *termed out* San Francisco Mayor Willie Brown is still six months away – Nov. 4th. At this point the field of candidates numbers about 26, but only five candidates (at this point) are considered serious. And there's little doubt that S.F. Co. Sup. Gavin Newsom is considered by just about all S.F. insiders to be the frontrunner. He's also the fund-raising leader too. So who is Newsom's *chief rival*? Here is our analysis...

...The only polling *Calpeek* has seen is several weeks old, but it had Newsom in front with 35%, followed by S.F. Co. Sup. Tom Ammiano with 22%; former S.F. Co. Sup. Angela Alioto was in third with 13%; followed by S.F. Treasurer Susan Leal with just 5%; and former S.F.P.D. Chief Tony Ribera at 4%. The rest are undecided. By this measure Ammiano is Newsom's chief rival, but insiders seem to think that Ammiano is going *nova* – a once bright political star who is beginning to fade. Last year he led the failed effort to stop Newsom's *Care Not Cash* initiative and got mashed. The *Care Not Cash* initiative calls for giving S.F.'s homeless people vouchers instead of cash for services. It passed with 60%. Panhandling is totally out of control in S.F. and some 200 homeless people die in the streets of S.F. every year – this according to Newsom...

...If Ammiano is fading, who is starting to shine? Some sources think it's Alioto – the former supervisor who has twice run for mayor ('91 & '95), only to lose. She's picked up major labor backing(SEIU) which has come at Ammiano's expense. Newsom, appearing at a private L.A. breakfast with insiders on April 30th, acknowledged as much. His comment that Angela's No Joe echo what

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others are saying. Her late father was a centrist, but Angela has always been much more liberal than her father and not nearly as well liked. "Once you get to know her and her issues, the less credible she becomes," one S.F. insider told *Calpeek*...

...Other sources see S.F. Tres. Leal as having a good shot at being #2. If one were to position Leal, she'd be between Newsom on the right and Ammiano/Alioto on the left. Leal supporters believe gay/lesbian support for Tom Ammiano is shifting toward her – the gay & lesbian Victory Fund is now with Leal. And Leal has support in the business community. Add in Latino voters and Leal does have the potential to be Newsom's strongest rival...

...Former PD Chief Tony Ribera isn't yet in the same league with the other rivals. Although he hasn't announced (and may not), there is some speculation conservative S.F. Co. Sup. Tony Hall may enter the contest. He'd certainly be a threat to Newsom on the right...

...FYI: the big question in this election is the status of the instant runoff. S.F. voters approved this idea some time ago (voters also cast a ballot for their 2nd favorite candidate), but whether CA SOS Kevin Shelley will approve it is unknown. The key hang-up: the computer software. Sources say there are still bugs in the system. But if the software is fixed and Shelley OKs it, then the instant runoff formula could be in place. How would IR impact the election? No one really knows for sure, but some suspect it might hurt Newsom. Stay tuned...

CAMPAIGN 2004: INITIATIVE WARFARE BETWEEN CALIF. BUSINESS VS. LABOR OVER FEES & TAXES.

Editor's note: Unless cooler heads prevail, it looks very much like the March 2004 primary ballot will be a replay of *WWIII* between Calif. business and labor over fees, taxes and Calif.'s broken budget process. The attitude on both sides seems to be take no prisoners. And all of the new proposals contain poison pill language – meaning the initiative which passes with the most votes becomes law. Here's our analysis...

...*Calpeek* has previously reported about the Budget Accountability Act – this is a proposal by labor & other public interest groups to require only a 55% vote of the Calif. Legislature to pass a new tax or the budget...

...As a counter to the Budget Accountability Act(BAA), Allan Zaremborg of the CA Chamber of Commerce and Larry McCarthy of the CA Taxpayers Assn. submitted an initiative to overturn the *Sinclair Paint* court decision (regarding fees); require all fees be enacted with a 2/3rds

vote and for a 5-year period only; and reaffirm the 2/3rds legislative vote to pass taxes. This initiative was submitted to the AG's office for title & summary on April 25th...

...Why did Calif.'s business community take this action? More than 20 bills have been introduced in the legislature containing fee hikes – such as the tippler fee on booze or the fee on ammo. The business community say Demos are out of control when it comes to taxes & fees. But BAA sources say the Chamber's new initiative is nothing more than a re-write of Prop. 37, which was promoted by a coalition of business interests to overturn the Sinclair Paint decision on fees. For those who have forgotten, Prop. 37 was defeated in November of 2000, getting just 47.8% vs. 52.2% NO...

...On April 30th backers of BAA pulled their initiative for a re-write to counter the Zaremborg-Son of 37 proposal. The new BAA language contains a proposal for a budget reserve AND also allows the legislature to pass a temporary new tax with a 55% vote – but the tax expires after 3 years unless voters agree to an extension. This rewrite was submitted May 2nd...

...Finally, on May 6th Lenny Goldberg of the CA Tax Reform Assn. submitted the Corporate Tax Accountability Act for title & summary. The business community sees Goldberg's proposal as a *Daisy Cutter* bomb – aimed at them. This initiative will allow the legislature to repeal or reduce corporate tax breaks based on the same vote requirement that applied to their enactment. Thus a tax break which passed on a majority vote could be repealed with majority vote. Any revenue resulting from the repeal or reduction of a tax breaks would go into a reserve fund. Some think the reserve could start out with about \$10 billion under Goldberg's plan...

...FYI: One friendly fire casualty: ACA 7 by Assemblyman John Dutra and Sen. Tom Torlakson to lower from 2/3rds to 55% the vote to pass local infrastructure projects. This legislation may be in trouble because of the business vs. labor feuding. Stay tuned...

COMMUNICATING WITH CALPEEK WITH E-MAIL.

For those inclined to use it, we do have an E-mail address: calpeek@aol.com. We check our E-Mail 4-5 times a week...

TO CALPEEK SUBSCRIBERS: CHANGE OF ADDRESS. Moving? Send us the new info along **WITH** your current Calpeek mailing label. The label has a code which allows us to make the change quickly. ☐📠☎...

APPEALS COURT UPHOLDS SOFT MONEY TV AD BAN, BUT STRIKES DOWN OTHER CAMPAIGN REFORMS.

Editor's note: The last word on McCain-Feingold campaign reform will be had by the U.S. Supreme Court, but on May 2nd a special, fast-track 3-judge Federal appeals court issued a first legal ruling on the controversial campaign reform bill co-authored by U.S. Senators John McCain(R) and Russ Feingold(D). Here is a very brief analysis...

...The judges in a 1,638-page decision declared unconstitutional the ban on unlimited *soft money* contributions from individuals, unions and corporations to political parties. At the same time, the judges said that the law's ban on soft money for tv *issues ads* which bash candidates in the final weeks of primaries or general elections was OK...

...Sen. Feingold was upbeat, but the fact is a key parts of the ruling went against backers of campaign reform. The case will now be reviewed by the U.S. Supreme Court. FYI: the high court review was actually written into the original McCain-Feingold law...

...There were many parties to this legal action and the perception that this was only Republicans vs. campaign reform is wrong. The first lawsuit against McCain-Feingold was filed by U.S. Sen. Mitch McConnell(R-KY) – thus *McConnell v. FEC* is the way the case will be remembered. But among others filing suit were the NRA, AFL-CIO, RNC, ACLU *and* the Calif. Demo and Republican Parties. The CDP was represented by attorney Lance Olson (Olson Hagel), while the CRP was represented by attorney Chuck Bell (Bell, McAndrews). The two State parties were suing to overturn language which limited soft money contributions to just \$10,000 from individuals, labor unions or corporations. The special appeal court said that State parties can raise as much money as allowed under individual State law. In Calif.'s case, the limit is \$100,000 per individual, union or company. Stay tuned...

NEW TWISTS & TURNS IN THE DAVIS RECALL DRIVE AS U.S. REP. ISSA WILL FUND HIS OWN COMMITTEE.

Editor's note: There are some new developments in the ever changing story about a GOP effort to recall Calif. Gov. Gray Davis(D). Changes tend to occur every 48-72 hours. The newest developments began to unfold on Saturday, May 3rd, several days after *Calpeek* had gone to press with our lead story about U.S. Rep. Darrell Issa's involvement in the recall effort. Here's our update & analysis...

...On Monday, May 5th, sources close to the San Diego area congressman announced the formation of a 3rd recall committee – *Rescue California* – and the story broke in both the

Sacramento BEE and *L.A. Times* on May 6th. But the idea to launch a 3rd recall committee was actually agreed to by Issa and his consultants around Saturday, May 3rd. In fact, Issa spent the entire weekend of May 3-4 in Calif. making calls to potential recall contributors, sources say...

...Why would Issa form a 3rd group vs. working with the existing groups? Control. And of course, this means that the other two recall groups, without Issa's \$\$\$, will be relegated to 2nd class status – at least that's the spin from some of our sources. Issa is a very focused individual and while he'll use the petition which was developed by Ted Costa's group, Issa will basically do his own thing. Gilliard, Blanning & Wysocki will coordinate the *Rescue California* effort and Issa's longtime consultant Scott Taylor will also be part of the team...

...The Issa effort will focus on a massive direct mail campaign, aimed at as many as **2 million** Calif. voters; and a street effort (paid circulators). Most sources agree that a street effort is absolutely critical if the recall is to qualify. Gilliard, Blanning & Wysocki are attempting to hire a professional petition circulator. Most of the key firms in Calif. are tied up, thus GB&W may have to go out-of-state. How much will the *deep pocketed* Issa pump into the his own committee? Sources think initially it will be in the high 6-figure range. Paid circulators don't come cheap and all 3 recall groups realistically need a combined 1.2 million signatures by the Sept. 2nd deadline. The Costa/Howard Kaloogian groups claimed 100,000 signatures collected thus far. Stay tuned....

BUDGET WARS: ASSEMBLY GOP BUDGET PROPOSAL SLAMMED BY CALIF. LAW ENFORCEMENT GROUPS.

Editor's note: Just as Gov. Gray Davis(D) was signing \$3.6 billion more in budget cuts approved by both legislative houses, a coalition of 17 key law enforcement groups, representing both management and labor, issued a stinging response to an Assembly GOP budget plan. Here's a very brief update & analysis...

...The first line in a 5 paragraph statement just about says it all: *Put simply, the Assembly Republican Budget Proposal is bad for Calif. public safety...*

...According to the memo, the Assembly GOP's budget plan cuts some key law & order programs, many written by Republican lawmakers – including State Sen. Jim Brulte(R-Rancho Cucamonga). Programs cut included the Rural Sheriffs funding (\$18.5 million spread among 37 small counties); the booking fee reimbursement program (about \$37 million); and the COPS/Juvenile Justice funding (\$113

million – which goes to all 58 counties). The booking fee reimbursement program is very important because most counties (not S.F., L.A. or Orange) charge cities a fee for booking, processing and housing prisoners. Fees can be very expensive...

... The one page memo said of these cuts, "This abandonment of law enforcement – as manifested in this budget – is not only a betrayal of public safety, but it's a betrayal of fundamental Republican principles." Among the groups signing this memo were the CA District Attorneys Assn., CA Police Chiefs Assn., L.A. Police Protective League, ALADS, So. Calif. Alliance of Law Enforcement, the Riverside Sheriffs Assn., the Long Beach POA and the L.A. Professional Peace Officers Assn...

... Assembly GOP staff said YES, these cuts were put into the proposal, but that local govt. under this GOP plan was fully funded – and thus local govt. could restore these cuts if they wanted to. *Not so*, said a *Calpeek* source. "These programs were extra money for law enforcement"...

... How could GOP assembly members not see this response coming from law enforcement? One reliable source told *Calpeek* that many Assembly GOPers didn't know about the cuts because most probably didn't bother to read their own plan. As for Sen. Brulte, sources say he's not about to let these programs be cut. Stay tuned...

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ ***Jerry Brown for AG in 2006??*** – The former Calif. governor and now Oakland Mayor Jerry Brown is said to be eyeing a run for CA Attorney General in 2006. Brown's late father, Pat Brown, was AG before being elected governor. No final decision for the 65-year-old Brown. Demos such as State Sen. Joe Dunn (Orange Co.), Davis' COS Lynn Schenk and attorney Joe Cotchett are considered potential AG candidates – and they don't have *Rose Bird* hanging around their neck...

■ ***Boxer's High Tech A-List*** – On April 30th, a group of 16 bi-partisan high tech execs and Silicon Valley investment bankers publicly endorsed U.S. Sen. Barbara Boxer (D) for reelection. It's an impressive group of names – including Cisco Systems CEO John Chambers, John Doerr, 3com & Palm chair Eric Benhamou, eBay CEO Meg Whitman, Regis McKenna – just to name a few...

■ ***New Demo Presidential Poll*** – The newest ABC-Washington Post survey on the 2004 Demo presidential primary contest looks like this (April 27-30): Lieberman 29%, Gephardt 19%, Kerry 14%, Braun 6%, Edwards 4%, Sharpton 4%, Dean 3%, Graham 3% and Kucinich 2%...

CALPEEK'S NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● GOP communications/spin MD Mindy Tucker has relocated to San Diego where she'll help organize Pres. George W. Bush's Calif. reelection efforts. Tucker was GWB's campaign press secretary in 2000...

● Former U.S. Sec. of the Army and current CSU vice chancellor Louis Caldera has been named President of the Univ. of New Mexico...

● Former Ventura Co. DA Michael Bradbury has been honored with the Lifetime Achievement Award from the Alliance of CA Law Enforcement. Bradbury is now a partner with Weston Benshoof. et al...

● Pres. George Bush has appointed Orange Co. GOP chair Tom Fuentes to be a BOD member of the Legal Services Corp. His term expires in July 2005...

● L.A. campaign consultant Rick Taylor has been hired to handle direct mail for 10th council district candidate Deron Williams. Armand Ross is handling Williams' day-to-day campaign duties...

CALPEEK'S CALENDAR OF POLITICAL EVENTS

May 14-16	Regional Council of Rural Counties annual meeting, Napa Valley Marriott.
May 15	58 th Annual meeting, Amer. Jewish Cmt/L.A. chapter, Four Seasons Hotel, Beverly Hills.
May 17	50 th anniversary of L.A. World Affairs Council – featuring UN Sec. Gen. Kofi Annan at Century Plaza Hotel, Century City.
May 20	L.A. muni runoff election.
June 1-2	CA Mobilehome Parkowners Alliance symposium, Las Vegas, NV.
June 5-10	71 st annual U.S. Conf. of Mayors, Denver, CO
July 23-26	Nat'l Conf. of State Legislatures annual meeting, S.F.
July 29-Aug. 1	Council of State Govts- <i>West</i> annual meeting, Honolulu, HI. (916)553-4423 for info.
Nov. 4	S.F. Muni Election + other cities